



New Legislation part 2

HEA 1427 - 2019

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Auditors' Spring Conference
May 2019



Disclaimer

- This presentation and other Department of Local Government Finance materials are not a substitute for the law! This is not legal advice, just an informative presentation. The Indiana Code always governs.



Introduction



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SEA 280 – Deductions

- Over 65 Deduction
 - Increases the deduction limitation on the assessed value (from \$182,430 to \$200,000) of an individual's real property.
 - Increases the deduction amount from \$12,480 to \$14,000.
 - Increases the adjusted gross income limitation for individuals that are least 65 years of age:
 - (1) Single Return (\$30,000)
 - (2) Joint Return (\$40,000)
 - (3) Sharing Ownership of Property as Joint Tenants (\$40,000)
 - Specifies that for purposes of determining the assessed value of the real property, increases due solely to an annual adjustment of the assessed value are not considered.

IC 6-1.1-12-9



SEA 280 – Deductions

- Disabled Veteran Deduction IC 6-1.1-12-14
 - Increases the deduction limitation on the assessed value (from \$175,000 to \$200,000) of an individual's real property.
 - Increases the deduction amount from \$12,480 to \$14,000.
 - Specifies that for purposes of determining the assessed value of the real property, increases due solely to an annual adjustment of the assessed value are not considered.



SEA 171 – Deductions

- Repeal of Certain Tax Incentives
 - Veterans' Mortgage Deduction (IC 6-1.1-12-17.5)
 - Coal Conversion System Deduction (IC 6-1.1-12-31)
 - Coal Combustion Product Deduction (IC 6-1.1-12-34.5)
 - Aircraft Deduction (IC 6-1.1-12.2)
 - Intrastate Aircraft Deduction (IC 6-1.1-12.3)
 - Recycled Coal Combustion Byproduct Personal Property Deduction (IC 6-1.1-44)



SEA 233 – Exemptions

- Increases, from \$20,000 to \$40,000, the acquisition cost threshold for the business personal property exemption.
- Specifies that a taxpayer who is eligible for a personal property tax exemption must include on the taxpayer's personal property tax return:
 - (1) information concerning whether the taxpayer's business personal property within the county is in one location or multiple locations; and
 - (2) an address for the location of the property.
- The assessor must notify all taxpayers by mail (or email) who are subject to assessment. The notification must include:
 - (1) date the personal property returns are due;
 - (2) contact information for the assessor's office;
 - (3) and information on how to obtain the tax forms;



SEA 233 – Exemptions

- Repeals provisions in current law that allow a county council to impose a local service fee on each person that has exempt business personal property because the business personal property does not exceed the acquisition threshold.

IC 6-1.1-3-7.3 (REPEALED)



HEA 1345 – Exemptions

- The legislature has restored the exemption for certain real property that is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:
 - (1) in a charitable manner;
 - (2) by a nonprofit organization; and
 - (3) to low income individuals who will use the land as a family residence.

IC 6-1.1-10-16



HEA 1345 – Exemptions

- Provides a property tax exemption for assessment dates occurring after December 31, 2016, for certain property owned by an Indiana nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code if:
 - (1) the property is used in the operation of a nonprofit health, fitness, aquatics, and community center; and
 - (2) the acquisition and development of the property are provided in part under the regional cities initiative of the Indiana economic development corporation.

IC 6-1.1-10-48 (NEW)



HEA 1345 – Exemptions

- To the extent the owner of nonprofit public benefit corporation property that is exempt from taxation has paid any property taxes, penalties, or interest with respect to the property for the 2017 assessment date through the 2018 assessment date, the county auditor is required to pay the refund due in one (1) installment.

IC 6-1.1-10-48 (NEW)



HEA 1056 – Property Tax Appeals

- Requires a county or township official who receives a written appeal notice from a taxpayer to forward the notice to the county auditor, if the taxpayer raises a claim regarding a matter that is in the discretion of the county auditor.
- Also specifies that the county auditor is a party before the PTABOA and for any appeal of the board's decision in an appeal related to a matter that is in the discretion of the county auditor.

IC 6-1.1-15



SEA 171 – TIF Resolution

- Provides that a redevelopment commission or other entity that creates a Tax Increment Financing area shall file the resolution or ordinance and supporting documents with both the county auditor and the Department within 30 days after the commission takes final action on the resolution.



SEA 171 – TIF Resolution

- Also, provides that if a redevelopment commission or other entity that creates a TIF area files the resolution and supporting documents with either the county auditor and the Department after the first anniversary of the effective date of the TIF area, the county auditor shall compute the base AV of the TIF area using the assessment date immediately preceding the later of the date on which the documents were filed with the county auditor or with the Department.



SEA 566 – Residential TIF

- Allows for the establishment of a program for residential housing development and a tax increment funding allocation area for the program if:
 - (1) the average of new, residential houses constructed in the county; or
 - (2) the municipality in the preceding three years is less than 1% of the total number of residential houses in the county or municipality.

IC 36-7-14-53 (NEW)



SEA 566 – Residential TIF

- If established, the redevelopment commission is required to submit the following to the county auditor before June 15 of each year:
 - (1) the amount of excess property taxes that may be paid to the respective taxing units under IC 36-7-14-39(b)(1); or
 - (2) statement that no excess assessed value that may be allocated to the respective taxing units.
- The county auditor is then required to allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

IC 36-7-14-56 (NEW)



SEA 127 – School Safety Referendum

- Requires the county auditor to distribute proceeds collected from an allocation area that are attributable to property taxes imposed after being approved by the voters in a referendum to the school corporation for which the referendum was conducted.

IC 20-46-9 (NEW)



How we can help?

- Research the FAQs, memos, and presentations on the Department's website.
- Ask the auditor or other staff.
- Consult with your county attorney.
- The Department cannot provide legal or fiscal advice.
 - We can help you identify the law.
 - The elected official must apply the facts to the law.



Thank you!

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